

AMENDED IN SENATE MAY 3, 2006

SENATE BILL

No. 1689

Introduced by Senator Perata

February 24, 2006

An act to amend, repeal, and add Section 42238.5 of, and to add Sections 42238.85 and 46305.2 to, the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1689, as amended, Perata. School finance: attendance and enrollment.

Existing law requires the use of average daily attendance to compute revenue limits and school funding apportionments, as specified.

This bill would replace average daily attendance as it is used to compute revenue limits under a specified provision with average monthly enrollment beginning in the 2007–08 fiscal year, as specified. The bill would require the Superintendent of Public Instruction to make a one-time adjustment to the revenue limit per unit of average monthly enrollment of each school district, on July 1, 2007, by revising the prior fiscal year revenue limit per unit of average daily attendance as specified and would require the resulting, adjusted revenue limit be used as the revenue limit for the 2007–08 fiscal year for any purpose for which that revenue limit is needed. This bill would require the Superintendent to compute the average monthly enrollment of each elementary, high school, and unified school district for the 2006–07 school year using the active enrollment of those school districts as reported in a specified provision. The bill also would require the Superintendent to compare the 2006–07 ~~active~~ *average monthly* enrollment of each school district with the count of pupils of

the district in average daily attendance as computed pursuant to a specified provision for the 2006–07 school year in order to compute a revenue limit conversion factor.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to streamline
2 the collection and auditing of basic pupil counts that are used for
3 the computation of school funding in order to substantially
4 reduce administrative costs and redirect the funds saved to
5 instruction and pupil services. To accomplish this, the
6 Legislature intends to commence a multiyear process to
7 transition from the collection and use of average daily attendance
8 to average monthly enrollment.

9 SEC. 2. Section 42238.5 of the Education Code is amended to
10 read:

11 42238.5. (a) For purposes of Section 42238, the fiscal year
12 average daily attendance shall be computed pursuant to
13 paragraph (1) or (2).

14 (1) The second principal apportionment regular average daily
15 attendance for either the current or prior fiscal year, whichever is
16 greater. However, prior fiscal year average daily attendance shall
17 be adjusted for any loss or gain of average daily attendance due
18 to a reorganization or transfer of territory, or for any change in
19 average daily attendance for pupils who are concurrently enrolled
20 in adult programs and classes pursuant to Section 52616.17.

21 (2) Any school district that elects to receive funding pursuant
22 to Article 4 (commencing with Section 42280) shall compute its
23 units of average daily attendance for purposes of Section 42238
24 by subtracting the amount determined in subparagraph (B) from
25 the amount determined in subparagraph (A).

26 (A) The units of average daily attendance computed pursuant
27 to paragraph (1).

28 (B) The units of average daily attendance resulting from pupils
29 attending schools funded pursuant to Article 4 (commencing with
30 Section 42280).

1 (b) For purposes of this article, regular average daily
2 attendance shall be the base revenue limit average daily
3 attendance, excluding summer school average daily attendance.

4 (c) For purposes of this section, for the 1998–99 fiscal year
5 only, the prior year average daily attendance shall be the
6 1997–98 regular average daily attendance, excluding absences
7 excused pursuant to subdivision (b) of Section 46010, as that
8 subdivision read on July 1, 1996.

9 (d) This section shall become inoperative on July 1, 2007, and
10 as of January 1, 2008, is repealed, unless a later enacted statute
11 that becomes operative on or before January 1, 2008, deletes or
12 extends the dates on which it becomes inoperative and is
13 repealed.

14 SEC. 3. Section 42238.5 is added to the Education Code, to
15 read:

16 42238.5. (a) Commencing with the 2007–08 fiscal year, for
17 purposes of Section 42238, the fiscal year average daily
18 attendance shall be replaced by the fiscal year average monthly
19 enrollment computed pursuant to paragraph (1) or (2).

20 (1) The second principal apportionment regular average
21 monthly enrollment for either the current or prior fiscal year,
22 whichever is greater. However, prior fiscal year average monthly
23 enrollment shall be adjusted for any loss or gain of average
24 monthly enrollment due to a reorganization or transfer of
25 territory of a school district.

26 (2) Any school district that elects to receive funding pursuant
27 to Article 4 (commencing with Section 42280) shall compute its
28 units of average monthly enrollment for purposes of Section
29 42238 by subtracting the amount determined in subparagraph (B)
30 from the amount determined in subparagraph (A).

31 (A) The units of average monthly enrollment computed
32 pursuant to paragraph (1).

33 (B) The units of average monthly enrollment resulting from
34 pupils attending schools funded pursuant to Article 4
35 (commencing with Section 42280).

36 (b) This section shall become operative on July 1, 2007.

37 SEC. 4. Section 42238.85 is added to the Education Code, to
38 read:

39 42238.85. On July 1, 2007, the Superintendent shall make a
40 one-time adjustment to the revenue limit per unit of average

1 monthly enrollment of each school district by revising the prior
2 fiscal year revenue limit per unit of average daily attendance
3 using the conversion factor developed pursuant to subdivision (b)
4 of Section 46305.2. The resulting, adjusted revenue limit shall be
5 used as the revenue limit for the 2007–08 fiscal year for any
6 purpose for which that revenue limit is needed.

7 SEC. 5. Section 46305.2 is added to the Education Code, to
8 read:

9 46305.2. (a) The Superintendent shall compute the average
10 monthly enrollment of each elementary, high school, and unified
11 school district for the 2006–07 school year using the active
12 enrollment of those school districts as reported pursuant to
13 Section 46305.

14 (b) The Superintendent shall compare the 2006–07–~~active~~
15 ~~enrollment~~—*of average monthly enrollment computed in*
16 *subdivision (a) for* each school district with the count of pupils of
17 the district in average daily attendance as computed pursuant to
18 Section 42238.5 for the 2006–07 school year in order to compute
19 a revenue limit conversion factor.